

(2018) 08 DEL CK 0453

In the Delhi High Court

Case No : Civil Suit (Comm) 147 Of 2017

Samsung Electronics Company Limited & Anr

APPELLANT

Vs

Akhilesh Tiwari & Ors

RESPONDENT

Date of Decision : 28-08-2018

Acts Referred:

Citation : (2018) 08 DEL CK 0453

Hon'ble Judges : Manmohan, J

Bench : Single Bench

Advocate : Sudeep Chatterjee, SonalChhablani, Aishwariya, Neelam Pathak

Final Decision : Diposed Off

Judgement

MANMOHAN, J (Oral)

1. Present suit has been filed against the defendants for permanent injunction, restraining use of trademark "SAMSUNG"/ "GALAXY"

for counterfeit mobile phones & mobile accessories, resulting in violation & infringement of rights in the trademark "SAMSUNG", copyright,

passing off, unfair competition, dilution, rendition of accounts, delivery up and recovery of damages, etc. The prayer clause in the present suit is

reproduced hereinbelow:-

"87. The Plaintiffs therefore, respectfully prays that the following reliefs be granted in its favour:-

A) A decree of declaration that the trade mark/logo SAMSUNG and its oval device trademarks; of the Plaintiffs are well-known

B) A decree of permanent injunction restraining the Defendants No.1 to 90, their principal officers, family members, servants, agents, dealers,

distributors, importers, retailers and anyone acting for and on its behalf from

manufacturing or getting manufactured, importing, selling, offering for sale

or advertising in any manner any product including mobile phones, handsets, hand held devices, tablets, smartphones, dongles, etc. and accessories

thereof bearing the mark/logo/logo/writing style/packaging â??SAMSUNGâ?, â?? GALAXYâ? and sub-brands thereof and/or any other

mark/logo/label/packaging which is identical or deceptively similar to the Plaintiffsâ?? trade marks/sub-brands and/or using the Plaintiffsâ??s

marks/labels /logos/writing style/packaging as part of any sub-brands, product descriptions etc., either in print or electronic form which would result in

violation of Plaintiffsâ?? statutory and common law rights in the said mark;

C) A decree of permanent injunction directing the Defendant No.91 to assist the Plaintiffs and Custom authorities or any other authority as may be

directed by this Honâ??ble Court to provide information to ascertain the illegality in the use of the IMEI numbers on counterfeit products including

mobile handsets, tablets, phablets etc.,

D) A decree of permanent injunction directing the Defendant No.92 to 97 to issue appropriate instructions directing the customs authorities at every

port including airports in India not to allow the import of counterfeit mobiles, handsets, devices, dongles, tablets etc. and accessories thereof bearing

the Plaintiffsâ??s marks/sub-brands including the SAMSUNG GALAXY Series/ SMTEL CALAYX Note or any other identical or deceptively similar

brands/marks that are not imported by the Plaintiffs and further directing the Customs Authorities to intimate the Plaintiffs as and when any

consignment of mobile phones, handsets, hand held devices, tablets, smartphones, dongles, etc. and accessories thereof bearing the marks

SAMSUNG, sub-brands including the GALAXY Series/SMTEL CALAYX Note or any other identical or deceptively similar brand/mark are

imported and to decide the objections, if any, raised by the Plaintiffs thereto as per the Intellectual Property Rights (Imported Goods) Enforcement

Rules, 2007.

E) In respect of Defendants Nos.98 to 110, Local Commissioners be appointed by this Honâ??ble Court and be empowered to identify with the

assistance of the Plaintiffs, such manufacturers/wholesale traders/retailers/ importers who are manufacturing/selling/importing counterfeit SAMSUNG,

sub-brands including the GALAXY Series such as mobile phones, handsets, hand

held devices, tablets, smartphones, dongles, etc. and accessories

thereof, in Delhi and Mumbai. On the basis of the report of the Local Commissioners, such Defendants, as identified by the Local Commissioners, in

respect of whom the seizure has been effected, be served with the complete set of documents and pleadings filed before this Honâ??ble Court along

with the summons bearing only the heading â??M/s _____â? Such defendants may be allowed to defend the present suit just as any other named

Defendants in accordance with law;

F) A decree of permanent injunction restraining the Defendants, their principal officers, family members, servants, agents, dealers, distributors,

licensees and anyone acting for and on their behalf from using the oval device of SAMSUNG or any other mark/label/device which is

identical/deceptively similar to the Plaintiffsâ?? oval device of SAMSUNG including the software which would result in infringement of

Plaintiffsâ?? copyright.

G) A decree of delivery up of all the infringing and counterfeit material of SAMSUNG including Galaxy series and its sub-brands such as mobile

phones, handsets, handheld devices, tablets, smartphones, dongles, etc. and accessories thereof and also of all the infringing material having packaging

that is an imitation of SAMSUNG packaging or bearing the SAMSUNG including Galaxy series mark/name/logo/label/packaging, including foils,

packets, rolls, printing drums, dyes, posters, publicity material, advertisements, brochures, sign boards, bags, pouches newsletters, hoardings etc., for

the purposes of destruction and/or erasure;

H) Pass a decree of damages and/or rendition of accounts to the tune of Rs.25,00,000/- payable by Defendants Nos.1 to 90 and also the unnamed

Defendants as and when they are identified. The Plaintiffs undertakes to file additional court fee if on appropriate rendition of accounts by the

Defendants a higher amount is found to be due and is directed by this Honâ??ble Court.

I) Costs be awarded in favour of the Plaintiffs.

J) Any such further and other order(s) as this Honâ??ble Court may deem fit and proper in the facts and circumstances of the present case.â??

2. On 20th February 2015, this Court granted an ex parte ad interim injunction in favour of the plaintiffs and against the defendants. The relevant

portion of the said order is reproduced hereinbelow:-

Accordingly, till the next date of hearing, the defendants No.1 to 90, their proprietors, partners, servants, agents, representatives, dealers,

distributors, importers, retailers, employees or any one acting for or on their behalf, are restrained from directly or indirectly selling, offering for sale or

advertising in any manner, the counterfeit products, including mobile phones, tablets, hand-held devices, smart phones, dongles and their accessories

bearing the mark/label/logo/packaging/trademark SAMSUNG/GALAXY or any other mark/logo/label/packaging/trade dress, which is

identical or deceptively similar to the plaintiffs' registered trademark/sub-brand SAMSUNG/ GALAXY, with or without its oval

device

3. Vide order dated 03rd April, 2018, the defendant nos.1, 3 to 18, 21 to 32, 34 to 38, 40, 41, 43, 44, 46, 47, 50 to 65, 68 to 91, 94 and 95 were proceeded ex-

parte and defendant nos. 92 to 97 were deleted. Today, only learned counsel for defendants No.42 and 45 is present. Consequently, other than

defendants No.42 and 45, all other defendants are proceeded ex parte.

4. Today, learned counsel for plaintiffs states that he has instructions only to press the prayers (B) and (F) of para 87 of the plaint. The statement

made by learned counsel for plaintiffs is accepted by this Court and plaintiffs are held bound by the same.

5. Learned counsel for the plaintiffs states that in view of the judgment of this Court in Satya Infrastructure Ltd. & Ors. Vs. Satya Infra & Estates

Pvt. Ltd., the present suit should be decreed qua the reliefs in paragraph 87(B) and (F) of the plaint against all defendants except defendant nos.42

and 45. The relevant portion of the judgment in Satya Infrastructure Ltd. & Ors. (Supra) relied upon by learned counsel for the plaintiffs is reproduced

hereinbelow:-

I am of the opinion that no purpose will be served in such cases by directing the plaintiffs to lead ex parte evidence in the form of affidavit by way

of examination-in-chief and which invariably is a repetition of the contents of the plaint. The plaint otherwise, as per the amended CPC, besides being

verified, is also supported by affidavits of the plaintiffs. I fail to fathom any reason for according any additional sanctity to the affidavit by way of

examination-in-chief than to the affidavit in support of the plaint or to any

exhibit marks being put on the documents which have been filed by the plaintiffs and are already on record. I have therefore heard the counsel for the plaintiffs on merits qua the relief of injunction.â??

6. The contentions and submissions advanced by the learned counsel for the plaintiffs are as under:-

(i) The Plaintiffs are a part of the Samsung group of companies engaged in the business of manufacturing and trading in telecommunication devices,

such as mobile phones, tablets, hand-held devices, smart phones, GSM and CDMA mobile phones, TVs, DVD players TVs, DVD players, home

theater systems, etc. The plaintiffsâ?? global market share in mobile phones is stated to be almost 25% and their market share in the telecom

products market in India is 31.5%. The plaintiffs claim to have more than 285 worldwide operations in 67 countries and are employing 425,000

employees worldwide.

(ii) the word SAMSUNG/GALAXY forms a part of the Plaintiffsâ?? trade name and that of their group of companies and they have secured

statutory trademark registrations in respect of the said marks SAMSUNG/GALAXY and the oval device in various classes in India,

(iii) The said oval device represented in a stylized manner is stated to be an artistic work under the Copyright Act, 1957 and the plaintiffsâ?? claim to

be the owners thereof.

(iv) the plaintiffs are the registered proprietors of the mark, SAMSUNG/GALAXY and the device mark, and/or their derivatives in several countries

including India. The net sales figure of the plaintiffs for the year 2013-14, was US\$268.8 billion and their net income was US\$ 26.2 billion.

(v) The plaintiffs in the month of January, 2015, conducted an investigations in various markets in Delhi and Mumbai and learnt that the defendants

were manufacturing and getting manufactured counterfeit products and affixing the mark SAMSUNG and the oval device on them. The Defendants

are manufacturing and/or selling counterfeit mobile phones and mobile accessories and are also copying the softwares of the plaintiffsâ??.

(vi) the International Mobile Station Equipment Identity or IMEI number, that is a unique number assigned to identify a valid device and is used in

routine by the government security agencies and government authorities to verify the legitimacy of handsets being imported into a country, have been

cloned by the defendants on the counterfeit mobile handsets thus jeopardizing national security due to multiple registrations of IMEI numbers, across

different mobile operators. The defendants have also copied the mobile software of the plaintiffs wherein they have exclusive proprietary rights.

(vii) The defendants have adopted an identical trademark/logo and packaging with a view to deceive the consumers and take advantage of the goodwill

and reputation earned by the plaintiffs

7. In the opinion of this Court, the aforementioned defendants have no real prospect of defending the claim as they have been proceeded ex parte.

Further, the plaintiffs are the registered user of the trade marks in question.

8. In view of the above, the suit is decreed in favour of the plaintiffs and against the aforementioned defendants in terms of paragraph 87(B) and (F)

of the plaint and the defendants are directed to destroy the goods seized by the Local Commissioners and handed over to them on superdari in the

presence of an authorised representative of the plaintiff. Registry is directed to prepare a decree sheet accordingly.

9. Consequently, the present suit stand disposed of qua all defendants except the defendant nos. 42 and 45.

10. List the mater on 31st August, 2018. The defendant nos. 42 and 45 are directed to be personally present in Court on the next date of hearing.